

FY 2009 Draft Annual Plan Revision

Proposed Targeted Rent Initiative

Ongoing federal disinvestment in public housing has forced the New York City Housing Authority (NYCHA) to take tough actions over the past several years to ensure that the 343 NYCHA developments which provide homes for over 400,000 New Yorkers remain viable. We have reduced spending by over half-a-billion dollars and cut staff by 2,500 positions.

Unfortunately, these measures have not been sufficient to cover our current budget gap. In an effort to generate revenue while creating a more equitable rent structure, NYCHA is revising its Draft Annual Plan for FY 2009 to include a proposal to increase rents for that segment of NYCHA's households who have the highest household incomes. The vast majority of NYCHA's households (72 percent) who pay 30 percent of their incomes for rent will not be impacted by this increase. If the proposal is approved, 28% of NYCHA's households, or 49,374 households who pay on average 20 percent of their income for rent, will have their rent adjusted over two years. These households will be divided into three (3) income bands and rent increases will be 5 percent, 10 percent and 15 percent, respectively, each year. The Targeted Rent Initiative is a proposal that will be reviewed through our Annual Plan process. The final proposal will then be submitted to the U.S. Department of Housing and Urban Development (HUD) for approval.

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

2. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

Rather than subject public housing residents to a two-step system, NYCHA has adopted a policy of allowing families with severe hardships, to have their rent obligation immediately reduced to a level reflecting the family's verified income. In an appropriate case, rent could be as low as the minimum rent set out above. However, nothing in the Authority's policy lessens the family's obligation to cooperate and to verify the household's current income.

c. Rents set at less than 30% than adjusted income

1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

NYCHA's Flat Rents as shown in the table below.

Apartment Size	Households with Incomes Less than 60% AMI	Households with Incomes Between 60% and 80% AMI	Households with Incomes Greater than 80% AMI
Studio	\$402	\$462	\$575
1 Bedroom	\$487	\$560	\$697
2 Bedroom	\$573	\$659	\$820
3 Bedroom	\$716	\$824	\$1,025
4 Bedroom	\$802	\$923	\$1,148
5 Bedroom	\$923	\$1,060	\$1,320
6 Bedroom	\$1,043	\$1,199	\$1,492

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

For the earned income of a previously unemployed household member
NYCHA has implemented the 24-month earned income disallowance required by Section 3(d) of the Housing Act of 1937, as amended, 42 USC §1437a(d).

- For increases in earned income
- Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:
- Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:
- For household heads
- For other family members
- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- Yes for all developments
- Yes but only for some developments
- No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95th percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____

Other (list below)

Decreases in family income must be reported as well as any change in family composition.

g. Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

Households at Flat Rent will pay according to how their household income compares to the Area Median Income (AMI) by family size. Flat Rent households with incomes less than 60% of AMI will pay rents ranging from \$402 to \$1,043, depending on the number of bedrooms in the apartment. Flat Rent households with incomes between 60% and 80% of AMI will pay rents ranging from \$462 to \$1,199. Flat Rent households with incomes above 80% of AMI will pay rents ranging from \$575 to \$1,492. The rent schedule on page 2 shows the rents by apartment size for each income band.

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies.

a. What is the PHA's payment standard? (select the category that best describes your standard)

- At or above 90% but below 100% of FMR
- 100% of FMR

- Above 100% but at or below 110% of FMR
- Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually
- Other (list below)
Payment standards are reevaluated on an as needed basis.

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

Exemption policies are described in the Section 8 Administrative Plan, which is a supporting document available for review.